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American Appeal

EUGENE V. DEBS, Founder

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Illinois Labor Falls Into Militarist Trap

At its 45th annual convention in East St. Louis last week the Illinois State Federation of Labor passed a resolution condemning the peace movements, supporting war preparedness and nationalism and condemning internationalism.

This resolution was introduced by A. F. O'Brien, member of the American Legion. It was supported in speeches by President J. H. Walker and Secretary-Treasurer, Victor A. Olander, and passed almost unanimously. Only two speakers opposed it—James M. J. and Beulah Bernheimer, high school teachers and members of the Chicago Teachers Federation.

The American Appeal regards the resolution of such importance that it reproduces it in its entirety with comments by the Appeal.

The Resolution

WHEREAS: The right of national defense is in essence the same as the right to strike for the maintenance of decent living standards; and the unholy alliance of international bankers as intent upon the creation of vast international industrial cartels employing cheap labor, with the self-acclaimed idealists, who under various disguises support the submergence of America into an international capitalist combine.

WHEREAS: The so-called peace movements are inimical to the welfare of the American wage earners and lead to the destruction of the living standards of the American people; and the plane of international capitalism and paxonomy.

WHEREAS: The doctrine of these peace movements would make it possible for the vital interests of American wage-earners and their social and cultural status and their standards of living to be subjected to the judgment of other people. Great movements of funds, left by notorious oppressors and exploiters of American labor are devoted to the propagation of doctrines, which undermine the national integrity of Americans and threaten the prospects and hopes of our people for continuous betterment of their economic, educational and other opportunities enjoyed by the wage earners of the nation.

WHEREAS: It is plain that international money changers, dealers in government bonds, importers, shipping companies and other capitalist concerns interested primarily in international trade have been aiding and abetting by money and counsel many of the attacks upon those American institutions and laws which stand in the way of a general reduction of American living standards.

WHEREAS: International assemblies of financiers and so-called statesmen controlled by them, meeting in Europe for the purpose of breaking down the advantages enjoyed by the American economic system in order that the loss of international loans sharks, have the applause and acclaim of many individuals and organizations which hypocritically pretend to be interested in labor and the uplift of humanity.

WHEREAS: Periodicals, which are habitually pacifist and which continually harass the organizations of American workers because they refuse to become tools in anti-national enterprises, are subsidized from

funds of Wall Street manipulators. The cause of real peace and international good will is imperiled by these pretenses even as the interests of wage earners have been damaged by their treacherous and subversive tactics; therefore be it

RESOLVED: That the Forty-fifth Annual Convention of the Illinois Federation of Labor register a protest against these enemies of the Federation and wage earners of America; and, be it further,

RESOLVED: That the convention go on record to request this year's convention of the Federation of Labor at Los Angeles, Calif., to take similar action.

A Militaristic Rebash

The above resolution is clearly a rebash of recent war preparedness and anti-peace propaganda appearing in the Chicago Tribune and other big business and used by the army and navy militarists and their supporters in congress in the present drive for a bigger army and navy. Such papers as the Chicago Tribune and the Chicago Daily News, which have been repeated over and over again in the last six months the charges against the peace movements contained in this resolution. From American Legion posts all over the country exactly the same propaganda and subtle insinuations have been handed out to the public. Not long ago the Chicago Tribune published a series of articles attacking the peace movements and purporting to "expose" their expensive propaganda and lobbying in Washington.

Unquestionably the O'Brien resolutions is from the same source. O'Brien

is an ex-soldier of the World War and a member of the American Legion. He has embodied in his resolution, as nearly as it is possible to extract meaning from its confused and garbled language, the same viewpoint about the peace movements of America and about the cultivation of nationalism and national defense and about keeping America out of any world league or world court, that forms the basis of the militarist campaign promoted by the organs of Big Business.

A Sinister Doctrine

But there are subtle and sinister additions to the propaganda of the militarist and their Big Business backers have been feeding the public. In this resolution is a new message relating labor to the militarist program contrary to every principle of labor. We wonder if it was not couched in obscure and confused language purposely. We wonder if the handfuls of trade unionists who voted for it knew what they were voting about. Did they know, for instance, that this resolution is an attack on the league of nations and the world court idea—ideas that have been supported by the American Federation of Labor since their inception. We wonder if they knew that this resolution is a subtle attack on all ideas of labor internationalism, of every friendly labor cooperation throughout the world, ideas that the American Federation of Labor has professed for a generation and carried out in part in the Pan American Labor union. We wonder if the men who voted for this resolution knew that practically every statement in the resolution is either a dangerously deceptive half-truth,

or an incitement to prejudice, or a downright lie, or a hate slander, and that the plan embodied in this resolution is the logical carrying out of the idea embodied in company unions and capitalist welfare work—control of labor by such cooperation. It is just one step from company union cooperation with capitalists to cooperation in the capitalist and imperialist program of war preparedness and war.

An Attack on the Labor Movement

The logical inference from this resolution is that the labor movement should be an integral part of the war preparedness drive and it is intimated that the armament of America is a part of the fight for a better standard of living for labor because international bankers are creating an international industrial cartel employing cheap labor and that their plan is to get America into an international capitalist combine and cheapen labor in America.

The purpose behind this is quite clear. It is to turn labor to the war program of the capitalist-imperialist interests and their tools in the war department. It raises a new doctrine, the attainment of labor standards through an alliance between American capital and labor on a program of war preparedness and nationalism. It raises new straw men for labor to fight—a mysterious group of international bankers, international cartels employing cheap labor, the menace of an international capitalist combine, any kind of league of nations or world court, any kind of amity, accord, or cooperation between nations,

any kind of peace movement. It seeks to raise an impassable barrier between labor and all peace movements and block all roads to international understanding and friendship by making the word "international" poison to labor.

Labor's Real Position

Unquestionably such subtle, anti-labor purposes could not have originated inside the labor movement. The resolution consciously or unconsciously is against the labor movement. Every prejudicial statement inciting the American workers to fear and hatred of the workers of other countries and arraying them in alliance with American capitalism against the workers of other countries is a base and treacherous blow against the labor movement.

The basis upon which world labor now rests is the theory that international unity alone can save the workers. That national isolation and war have and always will destroy the labor movement and enslave labor. That the only safe way to attain and preserve the highest standard of living for the workers is to cooperate internationally to organize the workers in each country and raise the standard of living to the highest point possible in each country. Capital has become international. It can transfer its enterprises to the countries where labor is cheapest. The only way that this situation can be met is an international organization of labor. The only safety for labor is labor organization in every country. It is strange that Illinois labor should be influenced so easily by its deadly enemies and should forget this well established labor principle.

Slanders Peace Movement

The statements about the peace movements of America are old and stale militaristic lies. The insinuations that the peace movements are all subsidized by international bankers has been made hundreds of times in the present militaristic drive and are both ridiculous and false. The inference is that the peace advocates have no arguments and that the movement is artificial and no one would advocate peace unless he were paid for it. We wonder how much Christ was paid for advocating peace. We wonder how much his true followers were paid before there were any international bankers. We wonder how much the peace movements of Europe are being paid, and we wonder who are paying them. We wonder how much the labor movement is paid for its consistent advocacy of peace. And thinking about all these world-wide movements for peace, we wonder how it happens that American peace-makers alone should be charged against progressive organizations friendly to labor. It has not supported one of these charges by a fact or proof. It is duty and honor bound to furnish the proof that these organizations are taking money from international bankers for the purpose of delivering America into an international combine, or apologize. If it does neither it is guilty of slandering its friends without cause or justification and at the instigation of

(Continued on page 2)

Chicago Has Over 100,000 Jobless on Eve of Winter

Faces Worst Winter in 20 Years—Vanguard of Widespread Army of Workless Hits City

More than 100,000 men are jobless in Chicago, the railroad center and one of the greatest commercial and industrial centers of America, according to the Chicago Daily News, which has been conducting an investigation of employment conditions. Much of the unemployment is from outside invasion, says the News, indicating that the vanguard of a far-flung army of workless workers has begun to head toward Chicago telling of the beginning of wide-spread unemployment.

Among the startling admissions of this capitalist newspaper, are the following:

An extensive invasion of the city by the unemployed is under way, with the result that the city has ahead of it, according to those who have been making a thorough investigation, the worst winter for unemployment and consequent suffering since 1921 and probably since 1913.

Every day brings into Chicago hundreds looking for work who come from the food regions of the south, from the depressed agricultural areas of the middle west, from other cities where work is slackening, especially in the building trades and those related to it, from foreign countries under authorized quotas or as bootleggers, immigrants and the normal number who come here to locate and make their way.

Sees Hard Winter

"I look for the unemployment situation in Chicago during the coming winter to be severe," said Charles J. Boyd, director of the Chicago Division of the Illinois Free Employment Service, with offices at 116 North Dearborn street, "and every effort should be made by industry, social workers and public authorities to meet the situation, including stemming the tide of the present invasion of the unemployed from the outside. Judging by what applicants for work coming from cities and country far and wide tell us, the word seems to have been broadcast that there is a scarcity of labor in Chicago and work is therefore available for any one. Many have told us that they have been informed that all they have to do is to come to Chicago and they can get good jobs without trouble."

Mr. Boyd presented a tabulated statement showing the number of applicants listed in proportion to the available jobs registered. He showed that even during the summer months unemployment has been more extensive than at any time since 1921, with approximately 50 per cent more requests for work in proportion to the jobs offered than for the corresponding months in 1926.

Following is a tabulation giving a month-by-month comparison of 1926 to date with 1927, of the number of persons registered for each 100 jobs available at the Chicago division of the Illinois Free Employment service:

Applicants for 100 Jobs in	1926	1927
January	197	250
February	187	240
March	135	197
April	128	187
May	122	174
June	137	204
July	162	219
August	140	189

(Continued on page 2)

Says Profits, Not Wages, Have Raised the Cost of Living

MINNEAPOLIS.—In a Labor Day speech here Senator Shipstead declared that the cost of living is due to high wages paid organized labor.

"The wage earner has found that his share of the wealth he produced has dropped 30 per cent in six years, the income of the farmer has decreased 42 per cent and the income of large corporations increased 70 per cent," said Senator Shipstead. "These profits are not taken out of the air," he said.

"Increased productivity is largely due to labor-saving machinery. There is no longer controversy as to what class produces wealth. But there is a controversy as to distribution."

"Statistics of the Department of Labor show that employment dropped 18 per cent during the period from 1920 to 1926. During the same period the average monthly pay roll dropped 20 to 1-10 per cent. The average working man is producing 34 per cent more finished product than seven years ago. He is producing one-third more because of labor-saving machinery."

"At the same time, according to Secretary Hoover, the earnings of 25 per cent of the largest corporations increased 70 per cent. In August, Roger Babson, the business statistician, declared that in six years the average price of the stock of 20 of the largest corporations increased from \$64 to \$177."

"On the iron range, north of Duluth, more ore was shipped last year than ever before, with 6,000 less men employed than previously."

"From 1920 to 1925 there was a greater shortage of food all over the world than ever before. Three times as much agricultural products were exported from this country than ever before. But in those six years the average price of the farmers dropped 42 per cent."

Militarist Senator Raises Storm at Religious Meeting

Senator Simeon D. Fess, one of the leaders of the reactionary "Old Guard" group, made the mistake of attempting to deliver a militaristic speech at a meeting of Methodist preachers in Denver, Colo., last week. He got as far as declaring that "the Monroe Doctrine should take precedence over the Sermon on the Mount," when he was shown down by the Rev. O. W. Austin of Chicago, formerly of Pueblo, Colo., offered a resolution condemning the Senator.

The Rev. J. B. Longacre, dean of the Colorado Methodist Episcopal conference, declared that no man had a right to express such militaristic views in a meeting of Christian ministers.

Bishop Charles L. Mead, presiding, endeavored to pour oil on the troubled waters. He requested that the Ohio Senator be permitted to explain. Fess said as far as "I may have been misunderstood," when the uproar again compelled him to quit.

A resolution was adopted reiterating the views of the conference against militarism.

Maurer Is Greatly Encouraged About Russian Conditions

Says Country Is Ruled by Labor And That Great Gains Have Been Made

WARSAW, Poland, Sept. 16.—Sixteen representatives of American trade unions, under the leadership of James H. Maurer, president of the Pennsylvania Federation of Labor, have arrived in Warsaw after spending a month in Russia investigating conditions under the soviet regime. Most of the members stated that they had arranged to see Communist Party leaders and to obtain their individual impressions until the official report of the delegation was published, but Mr. Maurer said:

"I am favorably impressed. After hard experience, and most of all, after seeing the results of the soviet regime, which is introducing new methods to replace the extremely backward system of the old regime. All statistics and figures show tremendous work accomplished, and continuous improvement. Labor never before had conditions such as obtain now. The trade unions rule the country and everything is open to labor."

"Libraries exist in every factory and the trade unionists have a free ticket to the theater every night, while the theaters are free for every body twice a week."

"In general, labor has pleasures and entertainments of which it never dreamed before. I never saw a more moral country."

"If I saw a prison the day we were leaving Moscow, there were very few prisoners. The bolsheviks do not improve the conditions in the prisons, because they do not believe in prisons and do not want to waste money on institutions to be liquidated in the future."

"Food in Russia is very cheap. Clothing is expensive, but prices are gradually diminishing."

Other members of the party included Albert F. Coyle, editor of the Brotherhood of Locomotive Engineers' Journal of Cleveland, O.; John A. Brophy, president of district 2 of the United Mine Workers; Frank Palmer, editor of the Colorado Labor Advocate, and James Fitzpatrick, president of the Actors' union.

Government Bares War Trust Links

How the munition and chemical warfare trust (Du Pont) has become an enormous owner of Steel Trust and General Motors, thus forming the basis for the most gigantic combination in the world essentially interested in war supplies and war, has been revealed by investigations of the Federal Trade Commission now being conducted at Wilmington, Delaware. The fact that the large stock purchases were contained in a letter sent recently to the Department of Justice, explaining the character of the Munition Trust's interests in the Steel Trust and General Motors.

After giving a summary of the growth of the Du Pont company the communication brought out these points:

The Du Pont company has not added to its holdings in United States Steel since the completion of a total purchase of 114,000 shares on June

From The Pen Of Debs

(Compiled by Theodore Debs)

Educate and Organize the Workers

In the present crisis the need of an educated and organized working class is being daily, hourly urged upon us as never before in this struggle.

Capitalism may be on the verge of collapse, but that only makes our condition more distressing if we are too weak and impotent as an organized body to deliver to the brutal and outmoded old system its coup de grace and install the new order of society.

The crisis is upon us but are we prepared for it? Preparation in this case means education and organization and their resultant industrial and political solidarity.

The revolution may be at our door but like the revolutions of the past it will be next to fruitless to the working class, unless they are prepared to take advantage of the opportunity it presents to install themselves into power and inaugurate the new order of society based upon their industrial freedom.

The war in Europe and the conditions resulting from it have served to make this an unusually propitious time to educate and organize the workers along the lines of the revolution, and to this task every socialist and industrial revolutionist should now bend all his energies.

Debs Fund Aims for National Network of Radio Stations

NEW YORK.—Ready to begin broadcasting labor programs from Station WEDV in New York, the Debs Memorial Radio Fund, 31 Union Square, is reaching out to establish a chain of labor radio stations which will present to the radio audience the aspirations of the labor and progressive movement of America.

Trustees of the fund, which includes representatives of the miners, needle trades, bakers, barbers and other organizations affiliated with the American Federation of Labor, declare that \$250,000 is required to make WEDV's labor programs available to trade unionists and the public generally in every section of the country. An appeal, therefore, is made to all union workers, who want the radio monopolists' grip on the air broken and to use the air for labor interests to contribute financially as much as possible to the Debs Fund.

At a cost of \$11,005,392, the Debs Fund now owns the equivalent of 1,966,224 shares of General Motors common stock of a total of 8,750,000 shares outstanding.

Pullman Porters Ask Court That Doomed Magnates Worry As Government to Stop Sacco-Vanzetti Sued U. S. Production Huge Tipping Graft For Aiding Wealthy Passes Consumption

Say Roads Extort \$150,000,000 A Year from Passengers in Form of Tips

The Brotherhood of Sleeping Car Porters, claiming to speak for 7,000 persons of the negro race employed as porters and maids by the Pullman company, has filed a petition with the Interstate Commerce Commission asking that an investigation be made of the company's alleged extortion of the traveling public in the form of \$7,000,000 annually, or half the wages of its train employees, in the form of gratuities or tips.

It is declared that this practice is a violation of the Interstate Commerce Act in that the Pullman Company "sells its service and accommodations to passengers for the price stated on the Pullman ticket, plus an indefinite amount of gratuity or tip exacted or induced from the passenger by the defendant through pressure of a custom built up and officially confirmed by the defendant."

Tip Practice Adopted in 1867

The petition sets out that the company is required by the act to file with the I. C. C. schedules showing the entire cost of fares and charges for accommodation for services, "but that said schedules do not show the gratuity or tips exacted from passengers."

It is further stated that in 1867 the company adopted a policy of hiring only negroes as porters and of paying them one-half to two-thirds of the amount necessary to enable them to remain in the service, thus establishing the gratuity or tip system which has since been maintained.

"The custom of tipping on the part of passengers has been highly profitable to the company," says the petition. "It has thereby been enabled to shift to passengers the burden of paying from one-third to one-half the wages necessary for porters to remain in the employ of the company."

The average amount paid in tips to each porter is \$35 per month, an aggregate of approximately \$7,000,000 annually, according to the petition, and "the total sum thus exacted of passengers under compulsion and pressure applied by the defendant, and either added to its surplus or paid out in dividends, cannot be less than \$150,000,000."

War Patriots Urge The Deportation of Naturalized Citizens

Deportation not only of aliens, but of naturalized citizens convicted of seditious acts is urged by the Veterans of Foreign Wars, an association of American ex-service men.

In a statement issued from its national encampment, now being held at Providence, Rhode Island, the organization announces that it has passed a resolution urging the deportation of all aliens convicted of seditious acts, and also urging that naturalized citizens who are convicted of such offenses be deprived of their citizenship and deported.

The resolution calls upon Congress to enact suitable legislation to carry out the association's recommendation.

Overlords at Meeting Admit That System of Distribution Must Be Changed

NEW YORK.—Thirty-eight executive heads of some of the largest corporations in the United States contribute their views to a survey of the problems of distribution issued this week by the Farmers' Loan & Trust Co.

Viewing distribution as one of the most important economic problems before the American people, James H. Perkins, president of the trust company, in an introduction, says: "Mechanical advances in practically every field of manufacture has resulted in a production which has gained upon and passed consumption."

"This over-production, both in agriculture and industry, has brought in its train the pressing necessity for broader markets. People must buy who never bought before, or increase their buying, and to accomplish this, old methods of distribution have been relegated to the scrap heap and new methods have taken their place."

Elmer Ford makes the significant comment that "while there is a great productive capacity in this country, and consuming demand almost equal to it, there has been very little profit in the transaction."

Competition has been very keen, resulting in the piling down in prices of most commodities. There are only two ways out of it as I see it, and that is, the survival of the fittest and the test producer winning out; and additional consumption on the part of the people, which does not come rapidly."

Big Business Starts Fight on Inheritance and Corporation Tax

On the subject of retail distribution Frank S. Cunningham, president of Butler Bros., says:

"The social and economic factors in the scheme of distribution reached their climax at one time following the end of the war period, and their united impact found one-store merchants and the jobbers who serve them unprepared."

"As a consequence the chain, department and retail mail order stores in recent years have taken away a considerable share of the business heretofore handled through the regular jobber-retailer route."

Revision of both law and administration governing the internal revenue system, revision of provisions of the statute affecting the income accruing from installment selling, and the establishment and maintenance of a reasonable balance between federal revenue and expenditures.

"It is clear from the correspondence coming to this chamber," said Mr. Pierson, "that the problems of federal taxation, particularly the chamber's advocacy of a reduction in the corporation income tax rate, are receiving more attention by business men everywhere than any other public question."

The other meeting was attended by representatives from more than 30 states and was for the purpose of perfecting an organization of spokesmen for state legislators, governors and other officials to seek the repeal of the federal estate tax.

Resolutions endorsing the action of various state legislatures which have called upon congress to repeal the inheritance and the war excise taxes levied on particular business, simpli-

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Chain Store Inroads

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have a wide circulation, as it will be a great help to the much needed prison reform. I thoroughly appreciate your sending it through the suggestion of my dear aunt, Catherine M. Dohm. Enclosed you will find a dollar which you may use for the Cause.

Thousands of Appeal readers are going to Order or Earn Walls and Bars. Let the thousands who are going to order this great book do so this week on this order blank:

..... copies of "Walls and Bars"

State

eration of Labor over this article, the pages of the American Appeal are wide open for a reply. We think a reply is due. We would be glad to publish an article in the American Appeal from some responsible member of the Illinois Federation of Labor on the O'Brill resolution.

On This Blank

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NEWS AND VIEWS

Why Prosperity Is Slipping in U. S.

American exports are declining in comparison with imports. In August, 1927, exports were \$48,000,000 greater than imports. During August, 1927, exports were only \$4,000,000 greater than imports. Total exports actually declined \$9,000,000, while imports increased \$5,000,000.

This is a little showing how international world trade is shifting. Reports show that British exports increased \$55,000,000 in August, 1927, in comparison with August, 1926. Great Britain is only one of the countries that is encroaching on former American world trade. The basis of the prosperity of American business since the war has been an enormous and unusual world market. This is now slipping because other nations are getting on their feet again. This closing of the outlets of the enormous American surplus will put an end to business prosperity in America.

We are sorry, but this is a plain, irrefutable fact. The only remedy is to change the system, raise the purchasing power of the workers until they can absorb the whole product and enjoy it here at home.

New York Socialists Set the Pace

The Socialist Party of New York City has launched a drive to add 500 dues paying members to the party. They will get them, too. Similar drives in every section of the country where there are organized Socialists would put the party on a splendid basis for the 1928 campaign. This fall is a good time for every Socialist local and branch in the country to put on a well planned and determined organization drive. There is no question about it, Coolidge prosperity is slipping. Unemployment is growing ominously. The capitalists are alarmed. The politicians are trying to whistle to keep up their courage. Thousands of workers are being disillusioned. We are nearing the end of the period of smug contentment and labor reaction. The strings of the 1926 campaign are already in the air. The solid wall against Socialism is cracking. Socialist work this fall will yield results. As soon as the Socialists begin to get a hearing, as soon as their message again begins to awaken curiosity and interest, Socialism will, as a natural consequence, begin to grow again. There has been such a suspension of activity in the Socialist propaganda seemed to be up against a stone wall. This is changing. Every local ought to plan a definite organization drive right away and get busy.

Canada Labor Drifting Toward Independence

A. R. Mosher, president of the Canadian Brotherhood of Railway Employees and also of the all Canadian Congress of Labor issued an ultimatum for American unions to keep out of Canada at the biennial convention of the Brotherhood of Railway Employees now in session, which is the largest strictly Canadian union in Canada.

"American unions should confine their efforts to the United States, and their present branches in Canada should assert their independence," he said.

Other labor organizations connected with efforts to build a Canadian Labor Party of the British Labor Party are becoming increasingly opposed to the extension of the American Federation of Labor into Canada. More than any other cause, the American Federation of Labor with its "nonpartisan" political program is holding back the development of a strong labor party in Canada.

Great developments may be expected in Canada soon. The American labor movement will soon become isolated if it persists in its present policy against independent political action. The only reason for the distinction of being the only labor movement in the world that votes in the capitalist parties and has no political movement of its own.

The Irish Election

Labor and all the other minor parties lost seats in the Irish election just held as a result of the concentration of the fight on the issue of nationalism between the Free Staters and Republicans. Labor party seats dropped from 22 to 13. The communists for the first time in the history of Ireland won a seat. They were led by Jim Larkin. The vote of all other minor parties was cut in two. The Free State coalition led by Cosgrave will have 79 seats. The Republican coalition led by De Valera will have 73 seats. Nationalistic movements and issues always militate against labor and social betterment issues.

Fascist International Spreading

The week's developments in Lithuania bring out startlingly the spread of real fascism in Europe. This military government which was established about a year ago by a military uprising against the legal government representing the majority has formed a political and trade alliance with Mussolini. It took a leaf from Mussolini's book during the week and issued a decree suppressing opposition papers. It celebrated its entrance into the fascist international by importing and murdering a number of opponents who were only crime was that they happened to be Socialists, or trade unionists. Lithuania is becoming a close imitator of Italy. It has undoubtedly become a part of a sinister union of military and terrorist governments whose purpose is to cover the world with their internal system of savagery and slavery.

The Coal Strike

By Norman Thomas

It is rumored that some sort of settlement of the coal strike may shortly take place in Illinois in spite of the failure of recent negotiations. If this is so we hope it will not be on the basis of too great concessions by the workers. Even if they maintain their present wage scale there are ever so many technical changes in the agreement which can be made to the advantage of the workers. Already some of these changes have been suggested in union territory.

The situation is about this: On April 1st when the strike began there was a surplus stock of coal in storage amounting to 75,000,000 tons. Non union mines can produce about 3,250,000 tons a week which is 2,250,000 tons less than the average weekly consumption throughout the year. At this rate the surplus stock will be used up in about 33 weeks from April 1st. Even now the pinch is slowly beginning to be felt.

But, here's the pity of it, on whatever terms the strike is settled union and non union mines together can produce about twice as much coal as is needed. That means a great deal of unemployment and low wages. It means suffering and loss to producers and consumers alike. Any plan for saving the coal situation has two essential requirements: (1) the organization of the unorganized workers and (2) a thorough reorganization of the industry which is only possible on the basis of nationalization. Here is an important plank for any program of political or industrial action.

Farmer Coolidge

Oscar Ameringer

(In the Milwaukee Leader)
If Will Rogers don't lay off Cal Coolidge, Cal won't run again whether he chooses to or not.
Will Rogers is the Movie Cowboy Candidate is to give Cal that South Dakota farm were not "philanthropists" but "some comedians." Knowing what the western wheat farmers have been up against, I am inclined to agree with Will.
It's certain the South Dakotians didn't mean to sting Cal when they offered him a farm if he'd live on it and, as Will says, "fix up the fences and keep up the series of misadventures." Yes, they surely must be joking. They didn't believe Cal would really bite on that after the innocent lie he's led.

I know it's so. Cal and his Republican friends of the East have been relieving the farmers too long and too often of too much to be caught so easily themselves. Cal may bite worms in two when he's out to catch suckers but he doesn't bite at the bait himself, not if Cal knows it.

Just to show that Cal knows his onions and when it's time to choose another task, listen to this wonderful wisdom he dropped on his way out of the Ball Lands:
"I cannot conceive," said Cal, "that the object of Abraham Lincoln was merely to instruct men how to raise more corn, to feed more hogs, to buy more land." Neither can I, Cal; but, as you say, this main object must have been to raise better men. And if you and your crowd hadn't hogged the farmers so heavily, he might have succeeded.

But, again, as you say, Cal, "Without religion and without education, no person can survive in this day of science and research." And, mixing science and religion, he wended his way Wall Streetward, still not choosing to talk American. Strange as it sounds, not a single haired cheered the presidential hogwash.

Silence all for once was out-silenced. Good for Cal!

Can Terrorism Americanize Aliens?

(From the A. F. of L. Weekly News Service)

Federal Judge Hough of the Southern Ohio district has enjoined non-citizen coal miners from picketing. No alien can exercise this lawful right, and even citizens must picket according to rules laid down by the court.

Judge Hough says he will recommend deportation of any alien who violates his order. The court, of course, will be sole judge of the guilt or innocence of the accused. Judge Hough's disregard of law and the rights of striking non-citizens indicates his viewpoint.

The Hough order and threat illustrates the extent judicial power will go.

The labor injunction is usurpation. The deportation proposal is likewise unlawful.

Congress defines causes for which objectionable aliens shall be deported, but the accused are assured a hearing before final action is taken by federal immigration officials.

This federal judge, however, prohibits an alien from doing a lawful act and then sets himself above Congress in prescribing punishment to enforce his unlawful order.

The Hough order would penalize aliens and would terrorize those who are to strike by threatening to separate them from their families.

The coal owners who secured this injunction only recently rejected a plea by the governor of Ohio that both sides meet to settle differences by conciliation.

The federal rule in equity proceedings is that the plaintiff shall come into court with clean hands. The coal owners are permitted to ignore this age-long custom.

When a strike appears before an injunction judge, property rights is the sole consideration. The strike has no legal or moral right that the court is bound to respect.

If a judge applied such procedure against a person when no strike exists, he would be laughed off the bench—if he were not impeached.

The Hough policy fits in this plan to fingerprint aliens, "mug" them and restrict them to prescribed

areas unless they notify the proper government official. This was urged in the last Congress.

It will be urged again by those who seemingly believe that the way to Americanize aliens is to terrorize them and place them under police surveillance, as is the rule in Russia.

Coming Fight Against The Inheritance Tax

(Editorial, Labor, Washington, D. C.)

There is to be a drive at the next session of Congress for the repeal of the Federal inheritance tax. The argument used is that this is a source of revenue which should be left to the states. Several state legislatures have been induced to pass canned resolutions to this effect, and members of both houses of Congress have been taken in by it. The fight will be warm.

It never seems to have occurred to the horseshoed state legislators that the organized fight against Federal inheritance tax must have cost a lot of money. Somebody has paid for the big, active lobby that has been working for several years. Somebody has paid for their publicity. By all the rules of normal human behavior, this money must have come from folks with big estates to be taxed—and that raises another question.

Have the multimillionaires of America become philanthropic so perfectly that they have been induced to become tax payers? They are willing to spend large sums of money for the privilege of having the tax on their estates paid to state treasuries instead of to the national treasury?

The man who can say "yes" to that question needs no practice to be able to believe six impossible things before breakfast.

The super-rich of America know perfectly well that state inheritance tax can be evaded or escaped; that a national inheritance tax is the only levy of the sort that is or can be effective. A repeal of the Federal inheritance duty means that big fortunes can go on rolling up their menacing masses untaxed.

Building and Wages On the Downgrade

MILWAUKEE.—Elimination of wage bonuses, stabilization of the wage scale and a considerable let-up in employment are the outstanding features in the present labor situation among the building crafts of the country, according to a realtor who yesterday announced the results of an investigation covering every city of importance throughout the States. At the same time building permits in the 500 leading cities for the eight months of the present year showed a falling off of 10 per cent. These cities represent more than 80 per cent of the building construction in the United States.

Permits Take Slump
"Since the mid summer of 1926," says the report, "building permit records throughout the country have indicated a definite and consistent downward trend in the nation's building activities. This is especially true in the case of the restoration of normal labor conditions. The crest of the abnormal activities in the construction of buildings was passed more than a year ago, and the conditions now existing may be considered approximately normal although in some localities where construction was carried beyond reasonable bounds, the reaction has now brought undue dullness."

Organized distribution is making steady and rapid inroads over the system of competitive distribution, filling a long standing Socialists' prediction and bringing rapidly the time when the people will have a great organized system of distribution to own and operate. This conclusion is upheld by the latest report of the National Bureau of Economic Research, which shows that the chain store and mail order store systems broke all records for summer trade this year in spite of seasonal depression in other retail lines. It is stated by C. J. Connerly & Co. in a review published today.

The increase in sales volume reported by most chain stores for the past three months compared with last year is an encouraging indication of sustained business in the United States in the face of slight recessions in industrial activity, the review points out.

15 Per Cent Increase
"The volume of chain store sales at the present time is full 15 per cent above last year, while the two leading mail order houses show an aggregate gain of 10 per cent during July and August compared with the same two months last year. The strength of these expanding enterprises may be attributed to their ability to resist temporary setbacks which affect business generally at times."

"While the gain in mail order business during the past summer may be the result of the increase in the farmers' purchasing power, it is significant from the reports that the mail order turnover has been distributed evenly over the country."

Austrian Workers Open Campaign Against Seipel

VIENNA—Austrian workers, recently organized into the Socialist Democratic party, have opened a broad campaign against the reigning government of Chancellor Seipel. In a manifesto issued jointly by the trade unions and the Social Democrats the Seipel government is called "the blood-stained, reactionary government of murderers and organized terrorists."

The program demands amnesty for those arrested in connection with the July uprising and a reduction of duties on food.

Bertrand Russell to Speak in Chicago

The third season of the Chicago Forum, meeting in the Erlanger Theatre as last year, will begin on Sunday afternoon, October 30th.

The speaker at the opening meeting will be Bertrand Russell of England, speaking upon "Science and Civilization." He will be followed the following Sunday by Alexander Meiklejohn of the University of Wisconsin, speaking upon "The Experimental College," which is one of the outstanding experimental undertakings in American education, just being launched this fall.

Chicago Has Over 100,000 Jobless

(Continued from page 1)
Increase in Statewide

That the heavy increase of unemployment in 1927 as compared with 1926 exists throughout the state as well as in Chicago is shown by the figures for the month of August released today by the Bureau of Labor of the Illinois department of labor. The table shows that the free employment offices in the various cities an average of 145 applications for each 100 jobs available was registered.

Liberties Union Bares Outrages at Sacco-Vanzetti Meet

Pending a thorough investigation of an attack by state police on a Sacco-Vanzetti protest meeting at Cheswick, Pennsylvania, on August 22, the American Civil Liberties Union has received the following information concerning the affair.

A protest meeting of miners and their families numbering about 3,000 people, was being held in a grove on private property near Cheswick when fifty state police, under command of Lieut. Martin and Sergeant Dowley, appeared. Most of the miners were armed. They ordered the meeting halted.

The chairman, an Italian, asked them what authority they had to stop the meeting and demanded written orders. The chairman then asked the assembled miners if they wanted to continue the meeting. By acclamation, they voted "yes."

Lieut. Martin ordered his men to disperse the meeting. The horsemen charged into the crowd. About 300 persons were injured, many of them seriously.

After dispersing the meeting, the police continued to beat up the stragglers. Some of the state policemen started to beat up one of a group of four men. After an officer had clubbed him across the legs, the man protested and the policeman struck him on the head. The man then drew a revolver and killed the policeman, afterward disappearing into the crowd.

After this, the police began a roundup of strikers, taking them to police headquarters at Havick. The exact number arrested was large but is not definitely known. Most of the arrests were made five or six hours after the meeting. The arrests were carried out with great brutality and many more persons were beaten up.

About twenty of the miners were taken to the Allegheny county jail at Pittsburgh where they were charged with unlawful assembly, inciting to riot and resisting officers.

At a preliminary hearing, held before Squire Blair, the prisoners were represented by Allen David, a Pittsburgh attorney. He had previously obtained some dismissals, the number of prisoners being reduced to fourteen.

With a stenographer and attorney present to represent the workers, the police appeared to be somewhat embarrassed. After a legal battle which lasted from 9 P. M. until 1 A. M., the group of prisoners was finally divided into three categories. Bails were set at from \$500 to \$5,000.

One Italian, whose bail was set at \$5,000, was falsely identified as the chairman of the meeting. Many witnesses are available to testify that he was not.

All of the prisoners are believed to be citizens and none of them are members of the Workers Party or other left-wing organizations.

Chain Store System Makes Huge Gains

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Sign On The Dotted Line And Get Things Started

Sub-A-Month Membership Pledge Organized Army of the American Appeal

American Appeal, 2653 Washington Blvd., Chicago:
I hereby agree to obtain for the American Appeal in the future at least one subscription per month, or its equivalent. Enroll me in the Organized Army of the American Appeal.

Name Address

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APPEAL'S FEATURE DEPARTMENT

Harry W. Laidler, Editor

Karl Kautsky Gropes His Way

In XII Articles

Article X

By Ernest Untermann

UP to the German revolution of 1918, Karl Kautsky had never admitted that Bernstein was more nearly right than himself about the most scientific Socialist tactics and most probable methods of transition from capitalism to Socialism.

In all his writings on this subject to the revolution, Kautsky repeated his urgent appeals to defend the good old "revolutionary tactics" against the revisionist reformism of Bernstein. He continued to hint at the probable early collapse of capitalism in the catastrophe.

On the other hand, he began to admit that a constructive reform may also have a revolutionary value. He even admitted that "on the day after the revolution," meaning for quite a long while after the political victory, the Socialists would not be able to socialize the industries, but would have to go slow.

He never gave himself a frank account of the effect which such a sudden switch from "revolutionary" politics to slow socialization and tolerant development of capitalism under Socialist rule would have on the active Socialist workers.

He did not ask himself: How can it happen that the Socialist party may be able to seize political power by majority vote at a time when capitalism is not yet mature enough to be transformed into Socialism? Or why extol revolutionary politics and rush the political victory of the Socialists, when its victory marks the beginning of its compromise with capitalism?

Mental Development Uneven
The answer to these questions would have to be: The mental development of the workers under Socialist leadership does not keep step with the economic revolution. It may run ahead of capitalist development, or it may lag behind. It will probably be very uneven in different nations, and will for this reason make a united international transition to Socialist leadership very difficult.

If the Socialists of one nation secure a political majority before capitalism can be socialized on a large scale and by international action, then they cannot socialize their capitalism in short order. They will have to tolerate a lot of capitalism in spite of their political power. If, on the other hand, the mental development of the workers under Socialist leadership lags behind the economic development, then the old party will have to cooperate with the Socialists in the transition to Socialism.

To ask and answer these questions means, of course, to show up the inconsistency of the "revolutionary tactics" which Kautsky defended with so much heat. They will have to grope his way along in this contradiction between the hurry-up revolutionary tactics and the slow reform after the political revolution.

Reasons for Slow Socialization
Kautsky himself stated his reasons for holding the early socialization of industry. First, the Socialist party was then, and still is, short of men with a practical familiarity in the management of big industries. It has a lot of lawyers, professors, editors, skilled workers, but few captains of industry, financiers and technical experts familiar with big industry.

Furthermore, the big problem in socialization is the increase of productivity. Under capitalism, demand is held down by keeping prices always a little above what the market is willing to pay. This is often relative overproduction, but never underproduction, except through crop failures. Under Socialist rule, demand will jump right up to the full capacity of production. Socialism must be more productive than capitalism. This, again, demands plenty of technical experts who can invent new technical improvements to raise production.

And, furthermore, since political and economic development do not travel at the same rate in all nations, and since a full socialization requires an international equalization of economic conditions, the transition from capitalism to Socialism in any one country must necessarily be a matter of gradual reform.

Cooperation With Other Groups
From such premises, the logical conclusion should have been: Nothing, while a year ago there were still persons applying for each 100 jobs.

Calls Situation Serious
The employment situation already is serious, according to a high executive of one large concern who wished his name withheld.

"It is common talk among workmen that it is impossible to get a job," he said. "Many of the applicants are men of a higher type than the average unskilled laborer, yet ready to do anything for the bare necessities of living. Our factories are running with about the normal

number of workmen, but men are hanging onto their jobs and there is practically no labor turnover. We are therefore not putting on any new men. With the uncertainties of business at the present time and with election year ahead, any temporary rush in business is cared for by the regular staff working over time."

"Worst in Twenty Years"
Prewar indications of unemployment have not been bad at present for twenty years, according to Felix von Wyszow, manager of the German Aid Society of Chicago, one of the oldest free employment work-

ers in the city. Anticipating a very great increase in the number of calls for help upon it during the coming winter, the Swedish National Society of Chicago, through Andrietta Wolt, chairman of the charity committee, reports that "unemployment is becoming so severe that it will be nearly impossible for us to keep our young men from starving this winter."

Other agencies of free employment and social aid, as well as employers and welfare workers, report their observations and information to be substantially the same.

ing is gained for the Socialist party or for Socialism by rushing the political revolution ahead of the economic. If we cannot use our political victory to usher in Socialism, if we must let private capitalists go ahead with capitalist development for a long time after we have taken charge of the government, then the sensible tactics is that of co-operating before the political revolution as well as after it with those old parties which stand for more democracy and for the extension of public ownership.

If we co-operate with some of the old parties before we receive the majority of the national vote, we shall have little trouble co-operating with them after our political victory. But if we isolate ourselves from the others, draw a sharp line between them and us, drive the class war to a violent climax, then we shall have trouble with them before our political victory. It will then be difficult to avoid a break in the continuity of production. It will be very likely impossible to raise productivity rapidly. People will get dissatisfied. The old parties will try counter-revolution. There will be more wars in the economic continuity. Socialism will be as far away as ever and the Socialist party will come out of the test with little credit.

Kautsky and the German Revolution
Kautsky did not reason that way. He let his contradiction with himself become a contradiction within the Socialist party. Then the revolution came along quite suddenly, without any previous preparation. Kautsky found himself secretary of state under President Ebert. The old Kaiserism had collapsed and the German republic fled into the arms of the Socialists for protection.

So Kautsky suddenly found himself in practice in the very position which he had often theoretically assumed. He had political power, but could not use it to practice any Socialism. The allied troops stood along the Rhine, case to march to Berlin on the slightest pretext. And instead of being able to work for Socialism, Kautsky and his friends had to fight the Socialists and Communist revolutionaries who saw no sense in having political power in their hands and using it to salt capitalism.

Only in one respect was the situation in the German revolution different from Kautsky's "day after the revolution." The German Socialists did not have a majority of the German vote. They would have to keep the majority had voted to keep them in power, they could not have turned to socialize the German industries.

Kautsky admitted it himself in 1922 in his "Proletarian Revolution and Its Program." He frankly abandoned the old Marxist theory of a capitalist breakdown in the near future. He confessed that even if the British and German Socialists should secure the political power through a majority vote in the future, they would have to tolerate private capitalism ownership and the wage system for many decades. Even the basic industries, steel and iron and coal, could be taken over by the state.

His explanation which Kautsky gathered as secretary of state, when he saw the bureaucratic machine at work, taught him that it is better to fix up some compromise with the capitalists for a gradual decentralization of private capitalism than to hand the industries over to a bureaucracy. And the gradual working out of the Bolshevik machine in Russia confirmed him in this conviction.

Catastrophic Theory Out of Date
The catastrophic theory of a breakdown of capitalism through overproduction and unemployment, just like the contradiction between democracy and dictatorship, is out of date in the Socialist theory. It should be definitely dropped from the conscious working program of the Socialist parties. Democratization of politics and industry, hand in hand with an extension of the workers' share in the management and proceeds of industry, make a "revolutionary class war" not only unnecessary, but harmful for the cause of the workers themselves.

In the Marxian analysis, the idea of a steady proletarianization of the middle class and of a deterioration of life standards for the masses ran side by side with the idea that the workers can and should raise their standards more and more by organization, education and agitation. It follows that with their increasing

number of workmen, but men are hanging onto their jobs and there is practically no labor turnover. We are therefore not putting on any new men. With the uncertainties of business at the present time and with election year ahead, any temporary rush in business is cared for by the regular staff working over time."

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Socialist Vienna's Great Housing Miracle

How a War-Ruined, Bankrupt City Saved 100,000 Homeless Workers

Editor's Note

One of the most astounding and constructive enterprises engaged in by European municipalities since the war has been the housing program of Vienna, Austria, under the direction of the socialist administration. This city in the depths of poverty has managed to construct some 25,000 apartment houses for the workers of the city, to rent suites of rooms in them at a nominal sum of \$1.50 a month and to arrange for their financing. We in America have played with the idea of municipal housing but no administration thus far has had the courage and foresight to do for the common people what the socialist administration has done in the great Austrian city.

Julian S. Duncan, graduate of the University of Mississippi and a Methodist minister has visited Vienna this summer with a group of American students and brought back the following thrilling story of how Vienna blazes the trail.

H. W. L.

Julian S. Duncan

Before coming to Vienna this August I had heard of the remarkable housing project of the Socialist city.

government. On my first drive about the city I noticed a large number of neat and artistic new apartment houses and asked the driver about them. He replied that these belonged to the city. Some of the houses were built of red brick with projecting windows interspersed to give variety. Others were made of red and white stucco properly varied. Many of the windows had boxes filled with flowers. The use of a gabled roof here and there and other simple decorative devices produced a surprisingly unstandardized effect.

A View of Municipal Housing
A group of us were later taken through some of the buildings by the municipal director of housing. The first building had a kindergarten, the children were having their noon meal when we came in. The basement provided a huge laundry in which for the payment of a small rental the housewife could use the latest laundry machinery with hot air driers and ironing room. Open courts were left for sunshine, air and recreation. The number of stories ran from five to eight. The minimum amount of space for each flat was an entrance hall, a living room, kitchen, bedroom, bathroom, a stove and running water and water closet. The rent for this was fourteen Austrian shillings, or roughly \$1.50

per month! How did this come to be was the question in everyone's mind.

The Background of the Housing Adventure

Before the war the housing conditions in Vienna were the worst in Europe. An average of six people lived in each room. Actually among the working classes this meant a higher figure, for among the well-to-do there were those who had ten rooms, and more.

Then came the war with its defeat, disruption, revolution, inflation, starvation. The best of Austria's industrial and agricultural resources were taken away. She was deprived of her outlet on the Adriatic. A bloodless revolution brought a Socialist government which the country later rejected but which survived at Vienna.

The housing situation went from bad to worse. Rents were soaring. At the same time such was the handicap of the country in marketing its product in the international market that industry could not pay a wage in keeping with this rent cost. Valuable as was the assistance rendered to Austria by the League of Nations Reconstruction Loan, it could not alter the cold facts of the need of importing much of its raw materials.

The Rents Restriction Law
The workers were thus ground between the upper and the nether millstone to such an extent that their productive efficiency was being steadily lowered. The goose that laid the golden egg was dying of slow death. The city government then hit upon a solution which, in the light of all the facts, seemed to be the only possible one. It passed a law, December 2, 1922, known as the Rents Restriction Act which limited the amount of rent a landlord could charge to a certain fixed percentage of the pre-war rent. The effect of this was to put rent charges at such a figure so as to take care only of repairs and depreciation. Rent was reduced to a comparatively negligible figure in the subject of the workman. He could thus live on the wage industry could afford to pay him. But the population of the city was increasing. There was already a shortage of houses for the workers. Capital would naturally not be invested in new building when the Rents

Restriction Act had abolished interest from capital in dwellings rented. Up to 1923, the government, through the conversion of army huts, the use of army barracks and the building of a few apartment houses had added about two thousand five hundred dwellings. But in a city the size of Vienna this only touched the surface of the problem. There were at least 100,000 people who were either without quarters or were living under the most wretched conditions.

Financing Twenty-Five Thousand Houses

So the city government decided to go into it on a really large scale and to pay its way as it went. In a resolution passed September 21, 1923, the City Council authorized the building of 25,000 flats. Because of the country's financial situation, the municipality would have been forced to pay a very high interest on a loan. And the administration had decided that the same rents were to be charged as were charged for other dwellings under the Rents Restriction Act. This meant that no interest would be charged, hence it was all the more important that these houses be paid for as they were built. The council planned to secure this money and to create a fund to pay

for the houses as they were built. This fund was to be accumulated from two sources: first from a tax on luxuries and second, from a graduated tax on rents. That is the small renter was to pay a small percent per annum on his rent (people in the new government apartments were also to pay this tax) and the larger tenant, to pay a much higher percentage on his rent.

The 25,000 dwellings have been built and paid for and the construction of 5,000 more has been authorized which will be completed ahead of schedule time. The waiting list of people wanting these new flats has been reduced to 10,000. The department selects on the basis of size of family and need. The city government will probably continue to build houses.

Orthodox Criticism

From the standpoint of the orthodox economist, serious criticisms can and should be made of Vienna's solution. The Rents Restriction Act has placed too much of the burden of Austria's post-war depression on the rented property owning classes. But this may be justified by saying that the only shoulders capable of bearing a third class of these have lost no more than the

holders of securities whose securities were swept away by the inflation. The raising of part of the money from rent payers who do not live in government houses in the form of a tax on rent is likewise open to question. But these people are the beneficiaries of the Rents Restriction which reduces for them also the tax they must pay.

The Beginning of Greater Things

The significant fact is that marks a beginning towards socialism. The socialist leaders in Vienna realize this and they are not at all discouraged. Vienna is orderly, law abiding and Vienna is on the side. Barring the possibility of a fascist army attempting to overthrow them by force they will probably remain in power—to conduct still more important social experiments for the rest of the world to emulate.

Debate: What's the Source of Wealth Concentration?

Editor's Note

The debate over points raised in a letter from Mr. Tolley Hartwick, a Montana farmer, to the American Appeal, will be concluded in this issue of the Appeal. Next week interesting communications from other farmers and workers will be published.

In concluding the debate in this issue, we are not able to run all the remaining matter in Mr. Hartwick's letter, but have picked out the points that have not been touched on or explained thoroughly in former issues of the Appeal. Points that have been covered before are here omitted.

We are grateful to Mr. Hartwick for his friendly criticism of Socialism and appreciate his thoughtful and able advocacy of his own principles and the manner in which he has challenged to the most vital and basic principles of Socialism. We rejoice that there are progressive open minded farmers of Mr. Hartwick's type and feel that there is so much in common between us in our mutual desire to remedy present evils that we should find some way to cooperate together in the future.

Mr. Hartwick

If, as you say, private ownership of productive enterprises, rather than interest and rent, is what causes concentration of wealth, why is it that the American farm-workers who still own privately their farms and equipment, average less than \$200 per year net returns per worker?

The Editor

The farmers represent an earlier form of industrial ownership, rather than the later and more powerful form of private ownership which dominates the system and fixes conditions. Individualized private ownership of productive enterprises is exploited to the limit by private ownership. That is why the farmer is able to retain only a small part of his product.

The reason why capitalistic ownership is more powerful and is in control of the system is understood when we understand what capitalistic ownership is. Nearly all capitalistic ownership is in the form of corporate membership. This form of private ownership is ownership by absentee, non-working, nonproducing stockholding investors. The farmer, on the contrary, is a direct individual owner, worker and producer. The farmer represents by far the largest class representing this earlier form of ownership. This form of ownership is slipping and falling before capitalistic or corporate ownership. The reason is that capitalistic ownership has the following decisive advantages: it represents the power of group combination, organization, large capital, modern machine equipment, monopoly and strategic control of the trade and transportation centers, transportation facilities, in fact, all links between the producer and consumer. Capitalistic ownership is a modern juggernaut steam-rolling all forms of individualized ownership that gets in its way.

I was not thinking of individualized private ownership when I made that statement. I was thinking of capitalistic ownership of productive enterprise. It is this latter form of ownership that is the real source of the concentration of wealth, because it is the industrial owners of productive property who operate the whole process of extracting wealth from productive labor. They first get in the form of profit all the wealth that is concentrated. Then, after that, the banker and the landlord get their share from the owners of industry. Now it doesn't make any difference whether or not the share of the bankers or landlords is smaller or bigger than that retained by the industrial capitalists. The fact remains that industrial capitalism is the source of wealth extraction from labor and, therefore, of wealth concentration.

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You state: "If industrial capital had never received a cent from bankers, it would have attained the same world-wide power it now holds." Do you really mean just that? Do you utterly pass over the fact that 99 per cent of our industry is paying in-

terest on borrowed capital, largely the accumulated product of prior compound interest. Do you miss the fact that most of the profits are used to pay interest?

The Editor

Mr. Hartwick here overlooks a very important fact, while it is true that most of the money used by industrial capitalists in the conduct of their business is borrowed from banks at varying rates of interest, a still more basic fact underlies this: the money that the bankers loan the industrial capitalists is derived from deposits made in the banks by the industrial capitalists.

The source of banks, the source of the money in the banks is industry. Industrial capitalism first extracts the values from productive labor and deposits them in the banks. The banks then loan these deposits out to industrial capitalists. No banks could be founded, there wouldn't be any money for banks, there wouldn't be any interest system, if there did not first exist a method of extracting value from productive labor, which is the source of all values. A bank, therefore, is merely a storehouse for profits extracted from labor. It is merely an adjunct or branch of our industrial system.

Now, if Mr. Hartwick can show that interest and compound interest is extracting wealth into the hands of bankers rather than the hands of any other class; if he can show that the bankers are rapidly gaining possession of the whole system, this does not change in the slightest degree the fact that we are dealing primarily with an industrial system and an industrial process and that the remedy must be primarily a change in the industrial process of extracting profits. If the bankers came to own all industry, the source of all their wealth would still be the extracting of profits from productive labor. Interest and rent would still be secondary processes.

It is a PROFIT system we are dealing with, no matter if bankers or landlords own it, and if we are going to get anywhere it is in the source of both RENT and INTEREST, that we must change. What is the sense in attacking EFFECTS and ignoring CAUSES?

Mr. Hartwick

Some day some long-hard-working geniuses are going to work out the secret of harnessing the energy of our wind, sunlight and ocean tides and of organizing them into billions of billions of wealth. Then our coal mines, oil wells and automobile factories won't be worth operating. Are we then going to buy men's secrets and enterprises also? Or are we going to make labor so fundamentally independent that it will not have to yield to further exploitation? Are we going also, by the same stroke of statesmanship, to make all entrepreneurs (industrial owners) as helpless without labor on fair terms, that they cannot exploit it—so dependent that they must be generous toward it?

Some fancy that after the organization of the "industrial democracy," all inventions will be made by its members for the commonwealth. If so, why not tackle the billions of trillions of wealth still dormant in the wind, sunlight, ocean tides and other elements, and leave the present private profit-takers to scrimp their own profits as they pass out of date?

The Editor

Refusing to socialize the means of life now on the theory that sometime in the future some inventors are going to invent new means of production that will supplant the present equipment would be like trying to capitalize blue sky. It could not be done. The only way that we can assure ourselves of the possession of the means of life in the future is to acquire public possession of the means of life now.

Changing the equipment of civilization through inventions is a slow and gradual process. Or are we going to get the benefit of these inventions. Inventions nowadays, are not on the whole enriching inventors, they are enriching capitalists. When the nation as a whole owns the basic

industries, it will naturally fall heir to all improvements as they are made in industrial equipment, and it will be to its interest to reward inventors to the point that will produce the highest crop of inventions. Under public self-interest the inventor will fare far better than under private self-interest. The inventor will never be allowed to become an exploiting private monopolist as now. So if we want the use of all these wonderful inventions of the future predicted by Mr. Hartwick, the logical and only way to get them is to have the industrial system nationalized before these inventions are made.

Farmer Ridicules Corporation Farms

By C. V. Hill

(Rich Mountain, Ark.)

Your article on corporation farming was so good that it hastened me to write for fear that some comrade might be tempted to invest some money that can be put in Walls and Bars to better advantage.

The bankers of all things don't want to own the farms. They know it is better than the super-hazardous business. So they get an agricultural college man to assume all the risk. Your A&M man, fresh from college, full of fairy stories he learns here or in those humorous sheets the farm papers, spurred on by the educated smile of a few wife will take over a big farm (\$40,000 mortgage, him machinery and all), and work on the run every day of the year from 1 a. m. till 10 p. m. He can milk 10 cows and grow the feed and hay for them, and with free labor his father-in-law, put it in the mows. Where in this futile free U. S. A. can a more corporation find for just money that sort of a pace-setter?

If not, how can they compete with that work-broke faunt in the race of smearing this country up with butterfat?

Of course the poor good fellow, playing a losing game, his equipment wearing out faster than it is paid for. But can he get his money back? He can't. In his spare cash to pay installments on his milking machine or truck, and as long as his widowed mother will help her hard working son meet his interest, he will beat any corporation in extracting his money from the land.

When he drops out and gets a county agent's job, then Ag culture will have a dozen others to take his place.

If automobiles were made in little factories as would all, yes even cotton farmers, be riding in limousines and the manufacturers' relatives would be walking b'zizes. That is unless they had to be shipped to Chicago to be painted.

No this corporation farming looks like another stock promoting scheme. A 1928, Coolidge model goldbrick. Corporation farming (except in cases where the product can be put up in smaller packages and sold for more money) will not pay and means deflation of farm prices. That is exactly what the country banker doesn't want. There is no fool easier as foolish as the Progressive farmer.

I am a graduate from Ames, Iowa, Agriculture College and have in the past managed several large farms, and think that I speak with some experience. I would like to know if you have any other A. & M. readers who are emancipated from Agricultural Economics as she is taught in those institutions.

Standard Oil to Gather Biggest Year's Harvest

NEW YORK.—The Standard Oil companies during this, the third, quarter of the year will pay cash dividends amounting to \$47,945,001. This is the biggest dividend payment ever made by the Standard group during the third quarter; and is \$1,515,783 more than was paid in the same three months last year.

Standard Oil cash dividends this year, including those to be paid the rest of the present month, come to \$158,092,240. Dividend payments during the final quarter will bring total cash disbursements for the year well above the \$200,000,000 mark.

Farmer-Laborites of Minnesota Call Northwest Meeting

ST. PAUL.—About 150 delegates of the Farm-Labor Association met in state convention at the Labor Temple last week and gave attention to matters of organization, propaganda and the campaign of next year. One of the most important decisions of the conference was the creation of a west conference of sympathetic organizations to meet next December. The conference will be asked to stimulate regional organization work from the view of building up an independent national government.

The convention authorized the organization by the state committee of an editorial board composed of a managing editor and all the farmer-labor editors of the state to prepare educational matter for the papers. A weekly news and editorial service was authorized. A weekly paper is to be started and kept on the field until 10,000 subscribers are obtained for a monthly farmer-labor educational magazine. The convention gave all labor organizations and farmer economic organizations equal representation in the conventions with representatives of the country organizations and also equal representation in county committees.

New Farmer-Labor Organization Born

By W. F. Richardson

(Secretary, Progress Builders, Russell, Mexico)

The Progress Builders of America of Rayville New Mexico, a farmer-labor workers organization similar to the Nonpartisan League is pleading organizers throughout the west for farm labor union and for complete protection among its membership in its Mutual Benefit Department which covers life and accident, old age and employment and homebuilding benefits.

One part of this department has written 200 members in the last two years. The organization contemplates state marketing departments, co-operation of production and distribution, state fire, hail and life insurance, state and national banking on the Lincoln Finance System which would make every post office a bank and make money a government function and the government would issue new money to absorb all unemployed, until government control of basic industries can be accomplished. The Progress Builders are forming co-operatives to handle all business co-operatively. They now have 40 different industries and farms in operation, providing homes, employment, maintenance and social privileges for their members. They also have numerous stores, gas stations and industries and co-operatives lined up for savings and organizing for political unity for the things they demand along socialistic lines.

Contrary to the expectation of a good many Socialists and contrary to the expectations entertained in the labor movement century, not only by many Marxians, but also by such orthodox economists as David A. Wells, agriculture has not yet undergone one hostile even to say that it is just now beginning to undergo a revolution similar to that which the use of power-driven machinery has long since effected in manufacturing and other industries. The innumerable differences in climate, in fertility of the soil, and in the life of the land, together with the uncontrollable vagaries of the weather and other natural factors present serious obstacles to the standardization of the processes of agriculture. Great improvements in technique have indeed been made, and the amount of produce obtainable from a given area or by a given amount of labor has been materially increased. But in general the machines devised for use on the land are neither so massive, complex, and costly nor so effective in the saving of labor as to give a decisive advantage to large farms operated by wage-labor over farms, small enough to be worked by their respective owners with a minimum of hired help.

The Farmer and City Worker

Whereas in industry after industry the small shop has given place to the ever larger factory, and the old glass of self-employing artisans has given place to the two classes of employers and wage-workers, agriculture has on the whole remained in the stage of small production, conducted individually by workers who either own or rent their means of production and who sell their produce instead of selling their labor-power.

The typical farmer is a property owner, or at any rate a property holder, and a seller of goods, yet he is by no means a capitalist; he is a worker, and an exploited worker, but by no means a proletarian. The farmer constitutes a third class, with interests and tendencies distinct from and often antagonistic to those of both the main classes of modern industrial society. They live in the capitalist system without, strictly speaking, forming a part of it.

Farmer increasingly Dependent
The development of this system, however, has not left the economic position of the farmer unchanged. In several ways it has been profoundly modified by the influence of capitalist industrialism.

Many processes which were formerly included in or accessory to agriculture—the spinning of wool and flax, the slaughtering of cattle and curing of meat, the making of butter and cheese, and so forth have been taken away from the farm and transformed into capitalist industries. This, together with increased productivity in the processes which still remain on the farm, accounts for the steady diminution in the relative numbers of the agricultural population.

Farmer and City Worker--Differences and Contrasts

Editor's Note

Algernon Lee, Educational Director of the Rand School of Social Science, and one of the clearest thinkers in the American Socialist movement, has written a study of the farmer in agriculture at the recent conference of the League for Industrial Democracy. He gave a particularly lucid analysis of the place of the farmer in modern industry and made an eloquent plea for farmer-labor cooperation as a means to social advance. It is a pleasure to print this statement by a leading American socialist in the American Appeal.

—H. W. L.

By Algernon Lee

In American agriculture we are today facing a general and persistent condition which we may more accurately call a decadence than a depression. It is not a thing of the last few years allowing for some partial and short-lived revivals. The process has been visibly at work in this country for at least four or five decades. Its nearest historic parallel is to be found, not in the "hard times" of the 1890's, but in the lingering death which came upon handicraft after the advent of the factory system.

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With the growth of great cities and the industrializing of whole regions, the farmer loses direct touch with the consumers of his produce. He has to buy his crops and sell his produce more dependent upon commercial middlemen and upon storage and transportation facilities.

But the railways and warehouses that carry and store his produce, the mills that grind his grain, the packing houses that turn his cattle into marketable meat, the factories that produce his implements and supplies, as well as the commercial establishments that buy his crops and sell his produce to him, are all in the hands of a few great capitalists.

In every economic relation, the farmer is at a disadvantage. They are numerous small vendors, face to face with a few great purchasers; they are numerous small buyers, face to face with a few great sellers; they are numerous small borrowers, face to face with a few great lenders. In each aspect, they must compete among themselves, while the great whom they deal present a fairly united front.

Decadence of Agriculture
The decadence of old-style agriculture is a fact too obvious to be overlooked except by those who are unwilling to see it. The agricultural population is declining in relative numbers. The agriculturist's income, relative to the aggregate income of the whole people, is diminishing still more rapidly. The number of farm tenants, as compared with farm owners, is increasing, and rent is absorbing an ever larger share of the tenant's income. The percentage of mortgaged farms is increasing, and indebtedness is growing more rapidly than farm values, and interest is absorbing an ever larger share of the income even of those farmers who still own the land they till. All these processes have been going on, with only slight and temporary interruptions, for half a century.

No doubt this decadence has been hastened by the protective tariff policy.

Editor's Note

The debate over points raised in a letter from Mr. Tolley Hartwick, a Montana farmer, to the American Appeal, will be concluded in this issue of the Appeal. Next week interesting communications from other farmers and workers will be published.

In concluding the debate in this issue, we are not able to run all the remaining matter in Mr. Hartwick's letter, but have picked out the points that have not been touched on or explained thoroughly in former issues of the Appeal. Points that have been covered before are here omitted.

We are grateful to Mr. Hartwick for his friendly criticism of Socialism and appreciate his thoughtful and able advocacy of his own principles and the manner in which he has challenged to the most vital and basic principles of Socialism. We rejoice that there are progressive open minded farmers of Mr. Hartwick's type and feel that there is so much in common between us in our mutual desire to remedy present evils that we should find some way to cooperate together in the future.

Mr. Hartwick

If, as you say, private ownership of productive enterprises, rather than interest and rent, is what causes concentration of wealth, why is it that the American farm-workers who still own privately their farms and equipment, average less than \$200 per year net returns per worker?

The Editor

The farmers represent an earlier form of industrial ownership, rather than the later and more powerful form of private ownership which dominates the system and fixes conditions. Individualized private ownership of productive enterprises is exploited to the limit by private ownership. That is why the farmer is able to retain only a small part of his product.

The reason why capitalistic ownership is more powerful and is in control of the system is understood when we understand what capitalistic ownership is. Nearly all capitalistic ownership is in the form of corporate membership. This form of private ownership is ownership by absentee, non-working, nonproducing stockholding investors. The farmer, on the contrary, is a direct individual owner, worker and producer. The farmer represents by far the largest class representing this earlier form of ownership. This form of ownership is slipping and falling before capitalistic or corporate ownership. The reason is that capitalistic ownership has the following decisive advantages: it represents the power of group combination, organization, large capital, modern machine equipment, monopoly and strategic control of the trade and transportation centers, transportation facilities, in fact, all links between the producer and consumer. Capitalistic ownership is a modern juggernaut steam-rolling all forms of individualized ownership that gets in its way.

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